

## T2-T2S Consolidation

The T2-T2S consolidation project is a European infrastructure project driven by the European Central Bank (ECB) with a planned go-live in November 2022. The aim of the T2-T2S consolidation project is to consolidate and optimize the provision of the TARGET2 (T2) and TARGET2-Securities (T2S) services and to address the increasing demand for having an effective facility for the provision of liquidity to existing and future Eurosystem payment and settlement services.

**Simulation start: Dec 2021**

**Production start: Nov 2022**

### The ECB's T2-T2S consolidation project aims for:

- Technical consolidation of the Eurosystem market infrastructures, with a key objective to be compliant with the latest cyber resilience directives, thus ensuring protection against cyberattacks.
- A consolidated and harmonized connectivity solution, creating a single gateway for Eurosystem market infrastructures (ESMIG – Eurosystem Single Market Infrastructure Gateway).
- Functional convergence of the current Eurosystem's settlement services (T2S, TARGET2 and TIPS) into a single platform, which will allow the sharing of common components (reference data, data warehousing, archiving, etc.). However, T2, T2S and TIPS will remain separate services.
- Implement a new RTGS module to provide new potential features as well as opportunities to adapt, streamline and improve the existing services.
- Expand the existing RTGS operating hours.
- Introduction of ISO 20022-compliant messages for communication. A “big bang” approach will be used (i.e. after launch, ISO 15022 will no longer be supported).
- Implementation of a central liquidity management (CLM) module. The primary aim of CLM is to offer a centralized mechanism for the steering, monitoring and management of liquidity capacity. Central bank operations are managed in CLM, while the credit institution's other transactions with its central bank are managed in RTGS. The introduction of CLM also allows the segregation of the interaction with central banks from the real-time interbank/customer payments as well as the ancillary system (AS) transactions in RTGS.

## Features and Enhancements / Participation requirements

Following the T2-T2S consolidation, Eurex Clearing aims to limit the impact on its Euro (EUR) payment infrastructure and related processes affecting Clearing Members to the greatest possible extent. However, some functional changes will be applied by Eurex Clearing with the T2-T2S consolidation:

### **Preponement of overnight debit cash instructions in EUR via T2:**

Overnight debit cash instructions in EUR via T2 will be preponed from currently 7 a.m. CET/CEST to 2 a.m. CET/CEST. However, the deadline for fulfillment of the payment obligation will remain at 8 a.m. CET/CEST. The corresponding reports covering projected EUR debits/credits will be made available before 2 a.m. CET/CEST, as is the case today.

### **Potential renewal of powers of attorney/debit mandates for Ancillary System (AS) settlement:**

As part of the migration, Members might be required to close and reopen cash accounts in T2. To ensure a smooth cash processing between Eurex Clearing and their Members' T2 cash accounts, a power of attorney / debit mandate for AS settlement will continue to be required for every RTGS DCA set up in the Eurex Clearing system. More details on new powers of attorney / forms will be provided in the course of H1 2021.

### **Continued usage of AS settlement procedures**

Eurex Clearing will continue to make use of the AS settlement procedures offered by the Eurosystem. Based on current planning, Eurex Clearing intends to settle AS transactions in RTGS using the AS settlement procedure E.

**Test Activities:** Community testing is planned from December 2021 till September 2022. Eurex Clearing will provide additional information regarding test activities in due time prior to the commencement of Eurex Clearing / customer test activities.

## Further information on the T2-T2S Consolidation can also be found here:

- [European Central Bank \(ECB\)](#)
- [Bundesbank](#)

## Corresponding Circulars

- [Eurex Clearing Circular 072/20 T2-T2S consolidation: Go-live date postponed by ECB](#)
- [Eurex Clearing Circular 039/20 T2-T2S consolidation: Announcement regarding ECB project on future Eurosystem market infrastructure services](#)

In case of any questions or you require further information, please contact us at [t2t2s\\_ecag@deutsche-boerse.com](mailto:t2t2s_ecag@deutsche-boerse.com) or [client.services@eurex.com](mailto:client.services@eurex.com).